Ontario

December 2015


OVERVIEW

Labour Force Trends – Ontario employment improved for the third consecutive quarter

• Employment increased by 12,800 in Ontario in the fourth quarter of 2015
• There were employment gains in both full-time work (+10,600) and part-time work (+2,100)
• The unemployment rate rose slightly for the second consecutive quarter, to 6.8%

Employment in Ontario rose by 12,800 in the fourth quarter of 2015, for the third consecutive quarter. Gains were observed in both full-time (+10,600) and part-time employment (+2,100), although unemployment also increased (+5,700) during the same period. As a result the unemployment rate inched up for the second quarter in a row, to 6.8%. However, Ontario’s unemployment rate for youth aged 15–24 decreased by 0.3 percentage points to 14.3% as youth unemployment fell by 6,100.

Nationally, employment grew for the sixth consecutive quarter, as employment levels improved by 40,300 in the fourth quarter of 2015. Full-time employment saw a small increase of 8,200, whereas part-time employment, which had fallen for four successive quarters, rose by 32,100, its largest gain since 2013. Employment in Canada increased by 141,800 over the fourth quarter of 2014.

In the United States, non-farm payroll employment expanded by 720,000 in the fourth quarter of 2015. The U.S. unemployment rate has been falling every quarter since the second quarter of 2011, and dropped to 5.0% this quarter.

Compared to the fourth quarter of 2014 employment in Ontario grew by 40,800, with an expansion in full-time work (+103,600) countering the losses in part-time work (-62,800), while the unemployment rate inched down 0.1 percentage point.
## Ontario Quarterly Labour Force Statistics

<table>
<thead>
<tr>
<th>Seasonally Adjusted Quarterly Data</th>
<th>4th Quarter 2015</th>
<th>3rd Quarter 2015</th>
<th>4th Quarter 2014</th>
<th>Quarterly Variation Number</th>
<th>Quarterly Variation %</th>
<th>Yearly Variation Number</th>
<th>Yearly Variation %</th>
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<tbody>
<tr>
<td>Population 15+ ('000)</td>
<td>11,435.4</td>
<td>11,402.1</td>
<td>11,311.9</td>
<td>33.3</td>
<td>0.3</td>
<td>123.5</td>
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<td>Labour Force ('000)</td>
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<td>7,432.2</td>
<td>7,419.1</td>
<td>18.4</td>
<td>0.2</td>
<td>31.5</td>
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<td>Employment ('000)</td>
<td>6,944.6</td>
<td>6,931.8</td>
<td>6,903.8</td>
<td>12.8</td>
<td>0.2</td>
<td>40.8</td>
<td>0.6</td>
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<td>Full-Time ('000)</td>
<td>5,652.6</td>
<td>5,642.0</td>
<td>5,549.0</td>
<td>10.6</td>
<td>0.2</td>
<td>103.6</td>
<td>1.9</td>
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<td>Part-Time ('000)</td>
<td>1,292.0</td>
<td>1,289.9</td>
<td>1,354.8</td>
<td>2.1</td>
<td>0.2</td>
<td>-62.8</td>
<td>-4.6</td>
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<tr>
<td>Unemployment ('000)</td>
<td>506.1</td>
<td>500.4</td>
<td>515.3</td>
<td>5.7</td>
<td>1.1</td>
<td>-9.2</td>
<td>-1.8</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>6.8</td>
<td>6.7</td>
<td>6.9</td>
<td>0.1</td>
<td>-</td>
<td>-0.1</td>
<td>-</td>
</tr>
<tr>
<td>Participation Rate (%)</td>
<td>65.2</td>
<td>65.2</td>
<td>65.6</td>
<td>0.0</td>
<td>-</td>
<td>-0.4</td>
<td>-</td>
</tr>
<tr>
<td>Employment Rate (%)</td>
<td>60.7</td>
<td>60.8</td>
<td>61.0</td>
<td>-0.1</td>
<td>-</td>
<td>-0.3</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

### Ontario Quarterly Employment and Unemployment Rate

[Graph showing quarterly employment and unemployment rate from 4Q2009 to 4Q2015]

- Employment ('000)
- Unemployment Rate (%)
Ontario Quarterly Unemployment Rates, by Gender and Age

<table>
<thead>
<tr>
<th>Seasonally Adjusted Data</th>
<th>4th Quarter 2015 (%)</th>
<th>3rd Quarter 2015 (%)</th>
<th>4th Quarter 2014 (%)</th>
<th>Quarterly Variation (% points)</th>
<th>Yearly Variation (% points)</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>6.8</td>
<td>6.7</td>
<td>6.9</td>
<td>0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>25 years and over</td>
<td>5.5</td>
<td>5.4</td>
<td>5.5</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Men - 25 years and over</td>
<td>5.5</td>
<td>5.5</td>
<td>5.6</td>
<td>0.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>Women - 25 years and over</td>
<td>5.5</td>
<td>5.2</td>
<td>5.3</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>15 to 24 years</td>
<td>14.3</td>
<td>14.6</td>
<td>15.1</td>
<td>-0.3</td>
<td>-0.8</td>
</tr>
<tr>
<td>Men - 15 to 24 years</td>
<td>16.0</td>
<td>16.0</td>
<td>16.6</td>
<td>0.0</td>
<td>-0.6</td>
</tr>
<tr>
<td>Women - 15 to 24 years</td>
<td>12.5</td>
<td>13.2</td>
<td>13.6</td>
<td>-0.7</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Employment in the goods-producing sector grew for the third consecutive quarter

Employment in the goods-producing sector grew in the fourth quarter of 2015 by 4,200. Manufacturing led the sector with gains of 5,800 but this was counterbalanced by losses in utilities (-5,800). Both construction (+4,700) and agriculture (+2,100) employment expanded while employment in the forestry, fishing, mining, quarrying, oil and gas industry (-2,600) declined, more than offsetting gains made in the third quarter.

Manufacturing employment increased for the third consecutive quarter, with encouraging sales figures emanating throughout the end of 2015. New vehicle sales in Canada rose for the third year in a row,¹ with a 2.5% increase over 2014.² Likewise, manufacturing sales in Ontario between October 2014 and October 2015

have increased by 1.6%,\(^3\) as the Canadian dollar continued to depreciate, slowly helping boost exports.\(^4,5\) Important developments over the fourth quarter included the 600 jobs Fiat Chrysler Automobiles announced it will add at the Windsor assembly plant,\(^6\) and General Motors of Canada Ltd. announcing that it expects to hire more than 200 people at its CAMI Assembly plant in Ingersoll.\(^7\) Furthermore, the Government of Ontario is investing in a multitude of expansions at local manufacturing facilities,\(^8,9,10,11,12,13,14,15,16,17,18\) which is expected to add over 1,800 industry jobs going forward. However, there was some turnover in the industry during the

\(^3\) Statistics Canada. Table 304-0015 - Manufacturing sales, by North American Industry Classification System (NAICS) and province, monthly (dollars)


\(^5\) Statistics Canada, CANSIM Table 380-0070


quarter due to the evolving economy, with National Steel Car Limited in Hamilton temporarily laying off 500 workers until January 2016 due to the slump in demand for rail tanker cars, and Maple Leaf Foods Inc. cutting more than 400 jobs in November due to restructuring. Additionally, Tenaris Algoma Tubes Inc. laid off approximately 230 workers in Sault Ste. Marie, citing global market conditions.

Employment in construction grew by 4,700 during the fourth quarter, with housing starts in the province flourishing, driven by increases in all types of units. Between the fourth quarters of 2014 and 2015, housing starts increased by 29.6%, as prices in Ontario, especially in the Greater Toronto Area, continue to rise and an abundance of new residential development advertisements persist. The most significant news item for the industry heading into 2016 is the $333.2M contract EDCO was awarded to build the next phase of the York Viva Bus Rapid Transit, which is expected to create about 14,000 construction jobs. Construction has also begun on the $16M Go Transit layover facility in Kitchener, the $31M Raleigh Bus Maintenance and Storage Facility in Oshawa, and Hydro Ottawa’s new 29-megawatt hydroelectric station at Chaudière Falls.

On a year-over-year basis, employment in the good-producing sector increased by 21,800, led by construction (+22,500). Gains in this industry were partially offset by employment losses in both agriculture (-4,000) and utilities (-5,600).

The services-producing sector also grew for the third successive quarter

Services-producing sector employment in Ontario expanded by 8,600 in the fourth quarter of 2015. Increases came mostly from the health care and social assistance (+12,100), public administration (+9,100) and transportation and warehousing (+6,900) industries. However, employment growth was mitigated by the losses in several industries, most notably educational services (-15,000) and information, culture and recreation (-7,600).

22 Statistics Canada CANSIM Table 027-0051 - Canada Mortgage and Housing Corporation, housing starts in all centres 10,000 and over, Canada, provinces, and census metropolitan areas, seasonally adjusted at annual rates, monthly (units)
23 Statistics Canada. Table 327-0046 - New housing price index, monthly (index, 2007=100)
Employment declined in the information, culture and recreation industry in three of the four quarters in 2015. The industry observed a number of layoff announcements during the fourth quarter, with news in November that Telus Corp. plans to cut 1,500 full-time jobs, albeit through voluntary departures and early retirements across Canada, while Bell Media announced the elimination of 270 positions in its Toronto operations. Channel Zero, CHCH’s parent company, also laid off 167 staff in Hamilton this quarter; however, it was taken over by a privately held numbered company which rehired almost half of the staff.

Employment grew in public administration, putting an end to four consecutive quarterly declines, most notably due to the rise in temporary employment during the federal election in October. With news that Statistics Canada is planning to hire 35,000 temporary staff for the 2016 Census over the coming months, growth for the industry may continue into 2016. Employment in health care and social assistance continued to show signs of strength despite cuts made to OHIP coverage of a number of medical services, as of October 1st.

Trade industry employment faltered in the fourth quarter (-2,900) for the second time in 2015. Monthly retail sales were down slightly in the third quarter of the year but showed some signs of recovery in October heading into the holiday season. Good news for retail employment included the opening of several retail stores across the province from grocery chains to gas stations. However, other stores such as the MediSystem Pharmacy, a division of Shoppers Drug Mart, closed in Brantford affecting 38 staff, and a Smart Set in Pembroke Mall closed. Heading into 2016, Ikea is set to expand its Pick-Up and Order Point stores into Whitby, Windsor, St. Catharines, and Kitchener. Furthermore, Lowe’s Canada will add seven more stores

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36 Statistics Canada. Table 080-0020 - Retail trade, sales by the North American Industry Classification System (NAICS), monthly (dollars)
in Ontario over the next two years.\textsuperscript{45} However, the retail trade industry still shows signs of instability as North by Northwest is closing its three clothing stores in Guelph, Waterloo and London,\textsuperscript{46} the Valu-Mart in Brockville will be closing at the end of January 2016 affecting all employees,\textsuperscript{47} and Richard Davis, a Belleville high-end clothing store is closing after two decades of service.\textsuperscript{48}

Between the fourth quarters of 2014 and 2015, employment in the services-producing sector increased by 19,000, led by the finance, insurance, real estate and leasing (+29,600) and the professional, scientific and technical services (+29,400) industries. Large decreases were observed in public administration (-20,100), which has deflated since its peak in 2013, and also in trade (-20,000).

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|c|c|c|c|}
\hline
& \multicolumn{2}{|c|}{4th Quarter 2015} & \multicolumn{2}{|c|}{4th Quarter 2014} & Quarterly Variation & Yearly Variation \\
& Number & \% & Number & \% & Number & \% \\
\hline
Total employed, all industries & 6,944.6 & 12.8 & 6,931.8 & 0.2 & 40.8 & 0.6 \\
Goods-producing sector & 1,409.3 & 4.2 & 1,387.5 & 2.8 & -4.0 & -4.9 \\
Agriculture & 77.3 & -2.6 & 75.2 & -5.6 & 6.8 & 18.2 \\
Forestry, fishing, mining, quarrying, oil and gas & 44.1 & -5.8 & 37.3 & -11.4 & -5.6 & -11.1 \\
Utilities & 45.0 & -5.8 & 50.6 & -11.4 & -5.6 & -11.1 \\
Construction & 493.5 & -2.9 & 471.0 & 1.0 & 22.5 & 4.8 \\
Manufacturing & 749.4 & -2.9 & 747.3 & 0.8 & 2.1 & 0.3 \\
Services-producing sector & 5,535.3 & 9.1 & 5,516.3 & 0.2 & 19.0 & 0.3 \\
Trade & 1,032.5 & -2.9 & 1,052.5 & -0.3 & -20.0 & -1.9 \\
Transportation and warehousing & 328.5 & 6.9 & 316.8 & 2.1 & 11.7 & 3.7 \\
Finance, insurance, real estate and leasing & 553.2 & 1.1 & 523.6 & 0.2 & 29.6 & 5.7 \\
Professional, scientific and technical services & 584.4 & -3.5 & 555.0 & -0.6 & 29.4 & 5.3 \\
Business, building and other support services & 332.1 & 0.4 & 340.2 & 0.1 & -8.1 & -2.4 \\
Educational services & 504.5 & -15.0 & 503.6 & -2.9 & 0.9 & 0.2 \\
Health care and social assistance & 821.5 & 12.1 & 811.1 & 1.5 & 10.4 & 1.3 \\
Information, culture and recreation & 306.0 & -7.6 & 320.6 & -2.4 & -14.6 & -4.6 \\
Accommodation and food services & 443.1 & 3.9 & 451.8 & 0.9 & -8.7 & -1.9 \\
Other services & 282.6 & 4.1 & 274.4 & 1.5 & 8.2 & 3.0 \\
Public administration & 346.7 & 9.1 & 366.8 & 2.7 & -20.1 & -5.5 \\
\hline
\end{tabular}
\caption{Ontario Quarterly Labour Force Statistics, by Industry}
\end{table}

\textit{Note: Totals may not add due to rounding}

\textit{Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088}


\textsuperscript{48} Miller, J. (September 24, 2015). Courneyea closing downtown shop. \textit{The Intelligencer}. Retrieved from \url{http://www.intelligencer.ca/2015/09/24/courneyea-closing-downtown-shop}
REGIONAL ANALYSIS

Toronto led employment growth with a strong quarterly gain

Employment rose by 125,200 in the Toronto economic region between the fourth quarters of 2014 and 2015 (measured on a year-over-year, seasonally unadjusted basis). Toronto has been at the forefront of employment growth for much of 2015. During this period, both employment and participation rates increased, which is a sign of strengthening labour market conditions. Several large transit and infrastructure projects advanced in the region this quarter. Durham Region Transit broke ground on a new bus maintenance facility in Oshawa at a cost of $31M. 49 The Toronto Transit Commission continues work on six new subway stops as part of the Toronto-York Spadina Subway Extension Project. 50 The extended subway line will feature the first subway stops located outside of the City of Toronto when complete in 2017. Construction will also get underway on the next phase of the York Viva Bus Rapid Transit (BRT) rapidways at a cost of $333M in 2016. 51

The Hamilton–Niagara Peninsula had a strong quarter as well with job gains of 15,900 between the fourth quarters of 2014 and 2015. There was a fair amount of activity in local manufacturing this quarter. Mitsui High-tec Inc. will start construction on a new manufacturing facility in Brantford at a cost of $18M to $20M. 52 The facility will be the first manufacturing plant in North America to build motor cores for hybrid vehicles. The plant will be in close proximity to some of the province’s key automakers, including Toyota Motor Manufacturing Canada Inc. and Honda Canada Inc. In November 2015, Toyota announced that it would build the RAV4 sport utility vehicle, including the hybrid model, at its Cambridge plant starting in 2019. 53 Elsewhere in the region, P&H Milling Group will build a new flour mill in Hamilton at a cost of $45M. 54 This will be the first new flour mill in the province in 75 years.

The London and Kitchener–Waterloo–Barrie economic regions also saw job gains between the fourth quarters of 2014 and 2015. One of the biggest announcements in London this quarter came from General Motors of Canada Company. The automaker is planning to hire more than 200 workers at its CAMI Assembly plant in Ingersoll over the next year. 55 In Waterloo, the technology sector received some good news. Shopify Inc. will add up to 270 staff to its new office later this year 56 and TD Bank Group will open a new technology centre creating 120 jobs over the next year. 57

Employment fell in seven economic regions this quarter

The largest quarterly decline was in the Muskoka–Kawarthas economic region, where employment growth has been weak over the past few months. There have been a few hurdles to the start of winter recreation activities as of late. Warmer winter weather and less snow have delayed several ski hills from opening their slopes this quarter. In addition, the Ministry of Natural Resources and Forestry has closed the walleye fishery on Lake Scugog because of the declining fish population.

Further north in the province, ongoing weakness in the labour market continued in the Northeast and Northwest economic regions. Together, employment declined by 19,800 between the fourth quarters of 2014 and 2015 in these regions. The Township of Hornepayne, located in the Algoma District, received some discouraging news in mid-December, when Olav Haavaldsrud Timber Company halted production. The lumber mill is the largest employer in the small community, employing about 40% of the Township’s workforce. The company is not sure if it will resume operations at the lumber mill at this time, leaving 146 workers on temporary layoff.

Employment declined in the Stratford–Bruce Peninsula and Windsor–Sarnia economic regions as well. Another small community in rural Ontario received some disappointing news this quarter. The Kraft Heinz Company announced that it would close its food processing plant in St. Marys by 2017, cutting 214 jobs. The plant has been a mainstay in the community for several decades. Meanwhile, in the Windsor–Sarnia region, Shell Canada will cut staff at its Corunna refinery over the next two years. The number of job losses is unknown at this time but will likely affect engineers and office support staff.

Job losses were also recorded this quarter in the province’s easternmost economic regions of Kingston–

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Pembroke and Ottawa. Several retail and food service locations closed in the Kingston area over the past three months\(^6^3\) while job cuts from Bell Media affected local production, media, and sales positions in Ottawa.\(^6^4\)

### Ontario Quarterly Labour Force Statistics, by Economic Region

<table>
<thead>
<tr>
<th>Economic Region</th>
<th>Seasonally Unadjusted Data</th>
<th>Employment</th>
<th>Yearly Variation (%)</th>
<th>Unemployment Rate</th>
<th>Yearly Variation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4th Quarter 2015 (’000)</td>
<td>4th Quarter 2014 (’000)</td>
<td>Yearly Variation (%)</td>
<td>4th Quarter 2015 (%)</td>
<td>4th Quarter 2014 (%)</td>
</tr>
<tr>
<td>Ontario</td>
<td>6,948.2</td>
<td>6,903.2</td>
<td>0.7</td>
<td>6.2</td>
<td>6.4</td>
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<tr>
<td>Ottawa</td>
<td>690.3</td>
<td>701.4</td>
<td>-1.6</td>
<td>5.5</td>
<td>5.6</td>
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<td>Kingston—Pembroke</td>
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<td>210.3</td>
<td>-6.3</td>
<td>5.6</td>
<td>6.7</td>
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<tr>
<td>Muskoka—Kawartha</td>
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<td>190.5</td>
<td>-18.3</td>
<td>6.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Toronto</td>
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<td>3,240.4</td>
<td>3.9</td>
<td>6.6</td>
<td>7.2</td>
</tr>
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<td>Kitchener—Waterloo—Barrie</td>
<td>718.7</td>
<td>714.3</td>
<td>0.6</td>
<td>4.8</td>
<td>4.8</td>
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<tr>
<td>Hamilton—Niagara Peninsula</td>
<td>720.7</td>
<td>704.8</td>
<td>2.3</td>
<td>6.1</td>
<td>5.5</td>
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<tr>
<td>London</td>
<td>332.8</td>
<td>323.8</td>
<td>2.8</td>
<td>5.3</td>
<td>5.8</td>
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<td>Windsor—Sarnia</td>
<td>287.3</td>
<td>301.8</td>
<td>-4.8</td>
<td>8.0</td>
<td>7.6</td>
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<td>Stratford—Bruce Peninsula</td>
<td>137.4</td>
<td>153.7</td>
<td>-10.6</td>
<td>5.7</td>
<td>4.3</td>
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<td>Northeast</td>
<td>243.6</td>
<td>261.6</td>
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<td>5.0</td>
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<td>Northwest</td>
<td>98.9</td>
<td>100.7</td>
<td>-1.8</td>
<td>5.4</td>
<td>5.5</td>
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</tbody>
</table>

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0122

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Ontario Quarterly Employment Growth, by Economic Region
Q4 2014 to Q4 2015

Toronto
London
Hamilton—Niagara Peninsula
Kitchener—Waterloo—Barrie
Ottawa
Northwest
Windsor—Sarnia
Kingston—Pembroke
Northeast
Stratford—Bruce Peninsula
Muskoka—Kawartha

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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